

27 October 1954

OK

MEMORANDUM FOR: Chairman, EDAC Executive Committee

FROM : Chairman, Economic Defense Intelligence Committee

SUBJECT : Executive Committee Reaction to IWG/R-16, Final Report and Recommendations of the IWG Subgroup on External Financial Operations of the Soviet Bloc

1. On 12 March 1954 a copy of IWG/R-16 was furnished each member of the Executive Committee. This report transmitted, for appropriate action by the Executive Committee, the IWG recommendation (OIR and BFC dissenting) that:

"a unit within an appropriate division or component of an intelligence agency be assigned the responsibility of coordinating on a continuing basis within the Government, the review, collation and analysis of incoming intelligence on the external financial operations of the Soviet bloc, and undertaking, on its own initiative, such intelligence support work, as may be required to meet the priority needs of the action agencies, where other facilities are not available."

2. This problem first came before the IWG on 2 April 1953 when the Financial Measures section of NSC 104/2 and a request of the EDAC Steering Group were cited as justification for IWG consideration. At the IWG meeting of 23 April 1953 the DMS (now MDAC) member declared that the study of Soviet external financial operations was a matter of urgent interest to DMS, and that a great deal of information on the subject would be required from the standpoint of expanded financial controls.


D R A F T

D R A F T

3. The MDAC member was requested at the IWG meeting of 22 July 1954 to ascertain the reaction of the Executive Committee. This request was reiterated at the IWG meeting of 26 August.

4. Since there has been no Executive Committee response to these requests, it is assumed that the EDIC has no further responsibility in this matter.

25X1A9a



~~CONFIDENTIAL~~